

## COMMERCIAL LAND LEASE AGREEMENT

This Commercial Land Lease Agreement (the “**Lease**”) is made on this 29<sup>th</sup> day of July 2019 (the “**Effective Date**”) by Canbud D580H124 Inc., on behalf of itself and its subsidiary, whose address is 120 Adelaide Street West, Suite 2500, Toronto, ON, M5H 1T1 (collectively referred to as the “**Tenant**”) to Mark Moore, Morgan Moore, Margaret Ann Moore and whose address is 580 Highway 124, McKellar, Ontario, Canada (the “**Landlord**”).

**WHEREAS**, the Landlord is the owner of certain commercial farmland available for lease.

**AND WHEREAS**, the Landlord desires to lease the commercial farmland consisting of approximately 200 acres with current approximately 20 acres tillable ready farm land known municipally as 580 Highway 124, McKellar, Ontario, Canada (the “**Fields**”).

**NOW THEREFORE**, in consideration for the above recitals and mutual promises and benefits contained herein, the Parties agree to the following terms and conditions described below.

1. **DESCRIPTION OF THE PROPERTY**

The Fields currently shall consist of approximately twenty (20) acres cleared and tillable farm. The Landlord shall provide schematic map of the land acreage, a legal description of the land (lot, concession, roll number) and proof of ownership (“**Fields & Ownership Documents**”) upon mutual acceptance of this Lease.

2. **TERM COMMENCEMENT, RENEWAL AND TERMINATION**

The initial term of the Lease (the “**Initial Term**”) shall be for five (5) years commencing January 1st, 2020 (the “**Commencement Date**”) and ending on the December 31<sup>st</sup>, 2024 (the “**Termination Date**”), unless the Tenant gives written notice of non-renewal no less than ninety (90) days prior to the end of the second year of the first term. Upon such termination, the Tenant shall not be liable for the payment of Base Rent for any remaining years in the Term or Renewal Term.

3. **BASE RENT**

In consideration for the Landlord leasing the Fields, the Tenant will pay CAD \$1,750 per month. The term starts in January 2020. The lease price for the Lands shall be increased for each subsequent year by the lesser of three percent (3%) or the prevailing local market price. Upon execution of the Agreement, Tenant shall pay CAD\$3,500 as a deposit. The January 2020 monthly lease installment shall be deducted from the CAD\$3,500 deposit and the balance of the deposit is kept for the December 2020 monthly lease installment.

4. **USE**

Tenant intends to use the Fields to cultivate, harvest and process industrial hemp CBD crops in compliance with its industrial hemp licence to be issued from Health Canada under the Cannabis Act and the Industrial Hemp Regulations.

5. **INDUSTRIAL HEMP LICENCE**

Tenant shall apply for an Industrial Hemp Licence for the Fields from Health Canada (the “**Hemp Licence**”) and the Landlord shall sign Health Canada’s Declaration of Landowner’s Consent (the “**Landowner’s Declaration**”) for the submission of such Hemp Licence application.

6. **TERMS AND CONDITIONS**

6.1 Landlord shall be jointly and severally liable for ensuring title to the Lands are encumbered and free of any liens during and throughout the lease term as it may be extended. In addition to the foregoing, Landlord shall be jointly and severally liable for ensuring property taxes and all other payments with respect to the Land are timely made and that all permits, consents and zoning for the Lands, as required to operate the Business, are obtained and maintained. To the extent that Landlord fail to comply with these obligations, Tenant shall have the right to attend to such compliance at the joint and several expense of Landlord.

6.2 As part of the permitted uses of the Lands, Tenant shall be entitled to: (i) drill one or more water wells, and take all such other steps as Tenant deem necessary in its or their sole discretion, for proper irrigation of the Lands; (ii) construction and/or installation of such facilities, equipment and other items as Tenant deem necessary in its or their sole discretion, for drying, storage and all other requirements and reasons in furtherance of the Business; (iii) take all other steps, and make all other uses of the Lands as Tenant shall deem advisable in its or their sole discretion in furtherance of the Business. In the event of termination or expiry of this Agreement for any reason, Tenant shall have the right, and shall be provided access, to dismantle and remove all non-permanent facilities, equipment and other items from the Lands.

6.3 All parties shall review the operations of the venture once a year to evaluate the profitability of the venture.

6.4 Landlord shall have access to enter the Lands.

6.4 A 24 hour notice shall be given to Landlord for operations personnel to work on the Lands.

6.5 Tenant shall not sublet the land to other party.

6.6 Tenant shall follow prevailing regulatory requirement on insurance for the operations personnel working at the cultivation/ farm land.

7. **NON-DISTURBANCE**

So long as Tenant is in compliance with all terms and obligations set forth in this Lease, Tenant’s possession of the Fields under this Lease shall not be disturbed or interfered with by the Landlord. If the Fields are under a lien, then Landlord shall provide a non-disturbance agreement from the lender. The Landlord has the legal right to use the non-leased portion of land for own personal use and business.

8. **MUTUAL ENVIRONMENT INDEMNITY**

Landlord shall provide indemnity statement to indemnify Tenant and directors of Tenant companies from any environmental liabilities arising from past events or events not caused by Tenant operations on the land.

Tenant shall provide indemnity statement to indemnify Landlord from any environmental liabilities arising from events caused by Tenant operations on the land.

9. **NOTICES**

Prior to the Commencement Date, the addresses of the Landlord and the Tenant for service of notice or any other document hereunder shall be:

For the Landlord: Mark Moore  
580 Highway 124, McKellar, Ontario  
Email: [REDACTED]

For the Tenant: 120 Adelaide Street West, Suite 2500  
Toronto, ON, M5H 1T1  
Email: [REDACTED]

and such notices or other documentation as aforesaid shall be deemed to be received by the party to whom it was delivered on the third business day after the date on which it was delivered.

10. **TIME OF ESSENCE**

Time shall be of the essence in all respects.

11. **SUCCESSORS AND ASSIGNS**

This Lease shall inure to the benefit of and be binding upon the Parties hereto, and their respective successors and assigns and sub-lesor.

12. **FACSIMILE / EMAIL TRANSMISSIONS**

This Lease may be delivered by facsimile machine or e-mail and signed on a facsimile copy. The originals will be delivered to the Landlord and Tenant once this Lease is fully executed.

13. **COMMISSION**

There is no commission paid to a real estate agent on this transaction.

14. **NO REPRESENTATION**

Tenant shall not sublease any part of the Fields without the consent of the Landlord in writing at discretion of Landlord.

15. **MODIFICATION**

No modification or amendment to this Lease will be binding upon the Parties unless made in writing and signed by a duly authorized representative of both Parties.

16. **INFORMAL DISPUTE RESOLUTION**

In the case of any disputes under this Lease, the Parties shall first attempt in good faith to resolve their dispute informally by working together promptly to address problems and escalate issues as reasonably required.

17. **COMPLIANCE WITH LAWS**

The Tenant will comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authorities.

18. **GOVERNING LAW**

This Lease will be governed by, and construed in accordance with, the substantive laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Parties irrevocably submits to the nonexclusive jurisdiction of the courts of Ontario for the purpose of any suit, action or other proceeding arising out of this Lease of the subject matter hereof.

19. **ENTIRE AGREEMENT**

This Lease constitutes the entire agreement between the Parties and supersedes all previous agreements, negotiations or understandings, whether written or oral, between the Parties pertaining to the subject matter hereof.

IN WITNESS WHEREOF, the Tenant has executed this Lease this 29<sup>th</sup> day of July 2019.

SIGNED, SEALED AND DELIVERED

**TENANT: Canbud D580H124 Inc.**

**CANBUD D580H124 INC.**

Per: “Robert Tjandra” (signed)  
Robert Tjandra, Director  
*On behalf of itself and its subsidiary*  
**I have the authority to bind the corporation**

IN WITNESS WHEREOF, the Landlord has executed this Lease this 29<sup>th</sup> day of July 2019.

SIGNED, SEALED AND DELIVERED

**Landlord: Mark Moore, Morgan Moore, Margaret Ann Moore**

“Mark Moore” (signed)  
**Mark Moore**

“Morgan Moore” (signed)  
**Morgan Moore**

“Margaret Ann Moore” (signed)  
**Margaret Ann Moore**